

468-000-329 TMA PREMIUM PAYMENTS – PROCESS AND EXAMPLES

If a family qualifies for TMA (Transitional Medical Assistance), they are entitled to the first six months of eligibility without regard to income. However, beginning with Month 7 the family is subject to an income test. The family loses TMA eligibility if the countable earned income is greater than 185% FPL for the appropriate household size. The countable income is determined by taking the gross earned income and subtracting the cost of child care (including that amount paid by Child Care Assistance).

Note: Unearned income is not considered in TMA budgeting. As indicated above, countable TMA income is determined by taking the gross earned income and subtracting the cost of child care. The \$100 Earned Income Disregard is **NOT** allowed in TMA budgeting.

In order to determine the household's income, earnings and child care costs from the first three months of TMA are reported via a QRF (Quarterly Report Form). Income from the first QRF (for Months 1, 2 and 3) is used to determine whether the family is eligible for TMA beyond Month 6. Assuming that the QRF and income verification are provided, there are three possible outcomes:

1. The countable income from Months 1 through 3 is greater than 185% FPL and is reflective of the current employment situation, TMA eligibility does not exist beyond Month 6 and the TMA case should be closed allowing for timely and adequate notice. Eligibility for Medicaid under other categories (ADC/MN, Poverty Level Children's Medical, Kids Connection, etc.) should be explored.
2. The countable income is less than 100% FPL and all TMA unit members remain eligible for TMA without any premium.
3. The countable income falls between 100% and 185% FPL. The case manager should then determine whether the premium applies to all TMA unit members or only to the adult(s). TMA premium amounts are found at 468-000-215. The household should be notified of their premium via Form EA-78.

WHO PAYS THE PREMIUM? The TMA premium may be required only for the adult(s) in the family; it may also be required for the child(ren), or it may not apply to the family at all. This will depend on the income, family size, composition of the family, and ages of the children. Other factors which must be considered include when the last full eligibility review was conducted and whether the child(ren) are covered by creditable health insurance.

Reminder: For Kids Connection or CMAP, the \$100 Earned Income Disregard is subtracted from earned income. The result may be that the children qualify for Medicaid without a premium. However, in KC and CMAP, unearned income must be counted.

Example 1: Household consists of Mom (age 23) and one child, age 4. The first QRF indicates that the countable monthly income is \$1,300. Mom does carry health insurance on both herself and her child. One hundred percent FPL for a two-person household is \$1,261, so this family may be subject to a TMA premium. The last eligibility review was completed five months ago.

Factors to Consider:

- This is a single-parent household, so ADC/MA eligibility exists for Mom and there is no 100-Hour Rule.
- The child is MAC-age so would be budgeted at 133% FPL. Kids Connection is not an option due to the health insurance coverage.
- The last eligibility review was less than six months ago, but because it was not the initial determination, the child is not assured of any period of Continued Eligibility so may be subject to a premium along with Mom.

Result: The Mom in this case must make a decision. The income exceeds the MNIL for two, so she would be subject to a Share of Cost if we were to close the TMA and run her through “regular” Medicaid budgeting. The income is less than 133% FPL for two, so the child would remain eligible without a Share of Cost. Mom would remain on TMA with a premium while the child would be eligible as a MAC child.

Example 2: Household consists of a married couple with two children, ages 16 and 14. Both parents work and the QRF shows their combined gross earned income to be \$2,200 per month. TMA is entering Month 7. The countable income exceeds 100% FPL for a four-person household, yet it is less than 185% FPL. The children are covered by creditable health insurance.

Factors to Consider:

- The parents are subject to the 100 Hour Rule, so if we want to cover them we would need to keep the TMA case open or have an incapacity determination from SRT.
- Regardless of the 100 Hour Rule, the family’s countable income exceeds the MNIL for four (the parent’s income standard) and also exceeds 100% FPL for four (the children’s income standard).
- Although the countable income is less than 185% FPL, we cannot merely close the parents and run the children in Kids Connection because the children are insured.

Result: In this case, all four family members are subject to the TMA premium. The premium amount is based on the chart at 468-000-215.

Example 3: Single parent mother, age 28 with one child, age 9. Household has been on TMA for six months as Mom is employed full-time. The QRF shows that Mom earns \$1,400 per month and pays no child care. Mom does not have health insurance coverage on herself or her child.

Factors to consider:

- This is a single-parent household, so ADC/MN eligibility exists without applying the 100 Hour Rule.
- Mom’s countable income falls between 100% and 185% FPL, so she would appear to be subject to a TMA premium.
- Mom’s income clearly exceeds both the MNIL and 100% FPL for two, so the result would be a large Share of Cost.
- There is no health insurance coverage and the income is below 185% FPL, so Kids Connection on the child is an option.
- The initial period of Medicaid eligibility was more than six months ago.

Result: In this situation, if the countable income is below 185% FPL when following "normal" Medicaid budgeting procedures, the child may remain eligible for Kids Connection. At the same time, if the TMA budget shows that the TMA income (gross earned income minus cost of child care) is less than 185% FPL, Mom may be eligible for TMA with a premium. The worker would close Mom until she pays the premium while at the same time keeping the child open under K.C.

Depending on the types of income this family may have, it is possible that the result would be that Mom is eligible for TMA while the child is over income for K.C. For example, if the child has SSA or a significant amount of child support, we would count that income on the K.C. budget but not on the TMA budget. If this is the case, the child would be included in the TMA unit and would also be subject to the premium.

Note: If the child had been in their initial six months of continued eligibility, we cannot impose the premium on the child.

Premium Payment Procedures

The case manager must run a TMA budget for the come-up month. N-FOCUS TMA budgeting rules will determine if the result is that TMA eligibility continues or if some members of the family, or the entire family, are now subject to a TMA Premium. Be certain that the child(ren) in Medicaid are in the correct Medicaid eligibility category. If the children are either subject to the TMA Premium or if they are eligible under Continued Eligibility but are also not subject to the TMA Premium, close out of Budget Authorization and re-run Configuration. Update the children's Medicaid category to CMAP and then Budgeting will budget the children according to CMAP rules while the parent(s) will be budgeted according to TMA rules.

If N-FOCUS determines on the TMA budget that a Premium is required, authorize the budget. Those family members subject to the Premium will be placed into a "PD" (Premium Due) status.

NOTE: In order for the "Monthly Medicaid Premium Statement" to be mailed, the individuals must be in "PD" status. This process will not work correctly if the individual is in Active, Closed, or FR status.

N-FOCUS will generate to these households a "Monthly Medicaid Premium Statement." This monthly statement will be mailed out the day after N-FOCUS MED Cutoff. This statement advises the household which family members are subject to the Premium (those in "PD" status), the amount of the Premium and for what Month the Premium is being assessed. The bottom portion of the statement is a tear-off section. The client sends this portion of the statement in with their Premium payment.

The TMA Premium payment is mailed by the client to the Office of Economic and Family Support, P.O. Box 94926, Lincoln, NE 68509-4926. The worker should encourage the client to mail the premium payment directly to OEFS rather than turning it in at the Local Office, as OEFS staff have the appropriate security level on N-FOCUS to change the case status from "PD" to Active.

Once the client's status is changed from "PD" to Active, the system will generate a "Notice of Finding - Medicaid Premium Paid" to the client the next working day. This Notice will serve as verification that the individual(s) listed has paid the Premium and is now in Active status. If some family members who are subject to the premium have remained in Active status, they will still be shown on the monthly Medicaid Eligibility Card.

When the premium payment is received and the individual's status is changed to Active, his/her status for the come-up month is set to "PD" by the system. This flow will continue for as long as the household continues to remain eligible for TMA with a premium required in the second six-month period.

Returned Check

If the client's premium payment is by personal check and the check is not honored by the client's bank, the client is responsible for repayment of the premium as well as any additional fees which are imposed on the Department. The case manager must send a demand letter to the client for the amount of the premium plus any fees. In addition, the client should be informed in writing that any future premium payments must be made by money order or cashier's check.